



NEWS RELEASE

**STATE BOARD
OF EQUALIZATION**

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FOR IMMEDIATE RELEASE

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LEONARD ANNOUNCES 2003 TAXABLE SALES – FOURTH QUARTER

Bill Leonard, Member, State Board of Equalization (BOE) announced today that taxable sales in California rose during the fourth quarter of 2003, marking the sixth consecutive increase in quarterly growth. Transactions subject to the sales and use tax totaled \$122.7 billion during the fourth quarter of 2003, an increase of \$5.9 billion or 5.0 percent from the fourth quarter of 2002.

In constant dollar terms, taxable sales increased by 5.8 percent over the same quarter a year earlier. The California Taxable Sales Deflator measured a slight deflation rate of 0.7 percent for the fourth quarter of 2003.

Retail stores posted taxable sales of \$86.2 billion, a 6.1 percent increase over the same period a year earlier. Retailers of durable goods experienced a 5.8 percent increase and non-durable goods' retailers showed a 6.4 percent increase.

In the durable goods category, new car dealers posted taxable sales of \$13.2 billion during the fourth quarter, only a 0.2 percent increase over the same period a year earlier. Construction contractors saw strong growth over the same period a year earlier with taxable transactions of \$4.7 billion, an increase of 7.5 percent. Additionally, retailers of building materials registered continuing growth in sales. Building material dealers posted taxable sales of \$7.2 billion, up 13.0 percent from a year earlier.

Gasoline consumption was up slightly, showing a growth of 2.2 percent and measured 4.0 billion gallons. Additionally, the average price of gasoline during the fourth quarter was \$1.601, a 6.9 percent increase from the previous year's price. Taxable transactions at service stations amounted to \$6.7 billion, a 9.6 percent increase over the same period in 2002.

While retail stores' sales experienced increased growth of 6.1 percent during the fourth quarter 2003, business and personal services taxable transactions reversed a trend of declining sales, showing \$5.7 billion or a slight increase of 0.7 percent over the same period a year earlier. All other outlets, comprised primarily of manufacturing and wholesale businesses, had taxable transactions of \$30.8 billion, an increase of 3.0 percent.

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(Fourth Quarter 2003 lists of Statewide Taxable Sales by Type, by [Business](#), Taxable Sales by [County](#) and Taxable Sales by [City](#))